

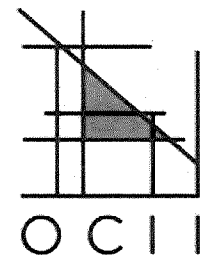
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Office of Community Investment & Infrastructure FY 2015-16 Budget

1. Key milestones achieved since former Redevelopment Agency dissolution on Feb. 1, 2012

2. Highlights of FY15-16 work plan for:
 - Major Approved Development Projects
 - Affordable Housing Obligations
 - Asset Management & Disposition

3. Budget overview



Key Milestones Achieved Since Dissolution

- **DOF “Final and Conclusive” Determinations** recognizing “enforceable obligations” for Candlestick Point/Hunters Point Shipyard, Mission Bay, and Transbay project areas.
- **DOF “Finding of Completion” issued May 2013** which allowed
 - OCII to transfer excess bond proceeds for purposes consistent with their indentures to the City
 - OCII to pay back loans to the City up to a maximum annual amount
- **Long Range Property Management Plan** submitted to DOF November 2013. DOF plans to complete review by December 2015.
- **New Bonding Authority – Pending** - through Governor’s FY 15/16 proposed budget trailer legislation; for affordable housing in the 3 major project areas and related parks & streetscape infrastructure in Transbay

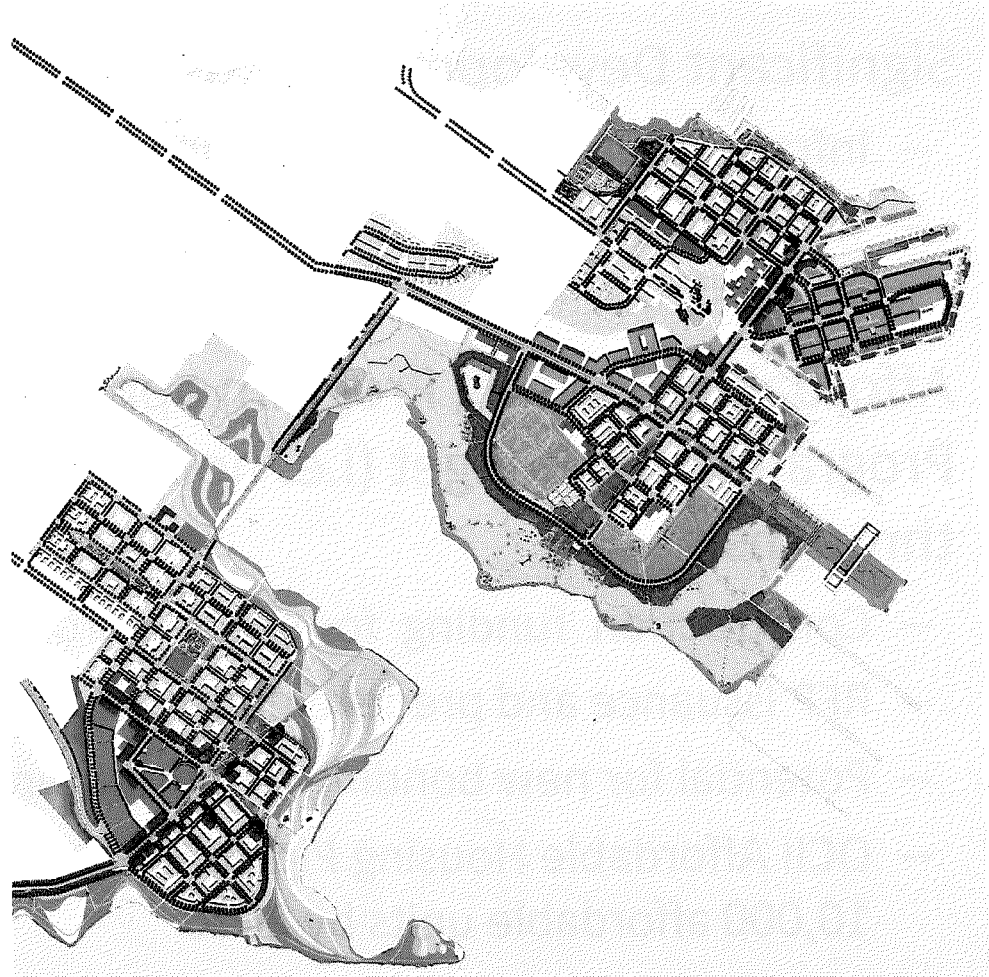
FY 15/16 Budget Overview

Key Trends

- Significant Development Activity in 3 Major Project Areas
 - Infrastructure & Residential Construction underway & ramping up
 - Transbay land sales occurring → \$200+ M for Transit Center construction
- Affordable Housing Program approx. 70% of FY 15/16 Programmatic Budget (i.e. not including debt service and pass-throughs)
 - Construction funding for existing projects
 - RFP Issuance and predevelopment funding for 6 new sites in FY 15/16
 - Potential for new bonding authority through Governor's budget legislation
 - OCII Affordable Housing Pipeline represents 1/3rd of Mayor's Plan to create 10,000 affordable units by 2020

Hunters Point Shipyard/Candlestick Point

- 780 acres along southeastern waterfront
- Approximately 12,000 homes, approximately one-third below market rate
- Revitalization of the Alice Griffith Housing Project
- Up to 3 million square feet of office space / R&D
- 300+ acres of open space
- \$90 million in Community Benefits
- More than 12,000 permanent jobs, plus hundreds of new construction jobs each year
- Total of \$2.7 billion in infrastructure and transportation improvements



Hunters Point Shipyard/Candlestick Point

FY 15-16 Work Plan

- **Support construction completion and permitting for the new homes and Hilltop Parks**
 - First 88 homes completed; 309 homes currently under construction; 449 units with approved designs
- **Affordable Housing**
 - Alice Griffith (HOPE SF): Phases 1-2 in construction; Ph. 3 to start construction; predev for Phs. 4 & 5
 - Release RFP's for Shipyard Phase 1 Block 54 and Candlestick Pt Blocks 10A and 11A (very low & low income)
- **Design review and approval**
 - Candlestick Center design, First Major Phase application for Shipyard Phase 2 of the Shipyard, and Hillside residential parcels in Shipyard Phase 1
- **Land conveyances**
 - 157 acres in Navy Parcels to transfer to OCII
 - State Lands & State Parks Exchanges/Transfers
- **Community benefits monitoring**
- **Transportation coordination**
- **Grants Mgmt; Property Mgmt**
- **Small Business Enterprise & Equal Opportunity Programs**



Mission Bay North and South

- Two Redevelopment Plans adopted 1998
- 6,400 residential units – 30% affordable
- 3.4 million sf office/ biotech/ R&D
- UCSF research campus and hospital
- 250 room hotel
- Neighborhood-serving retail
- Public school, fire/police station and headquarters, library
- 49 acres of public parks



Mission Bay North and South

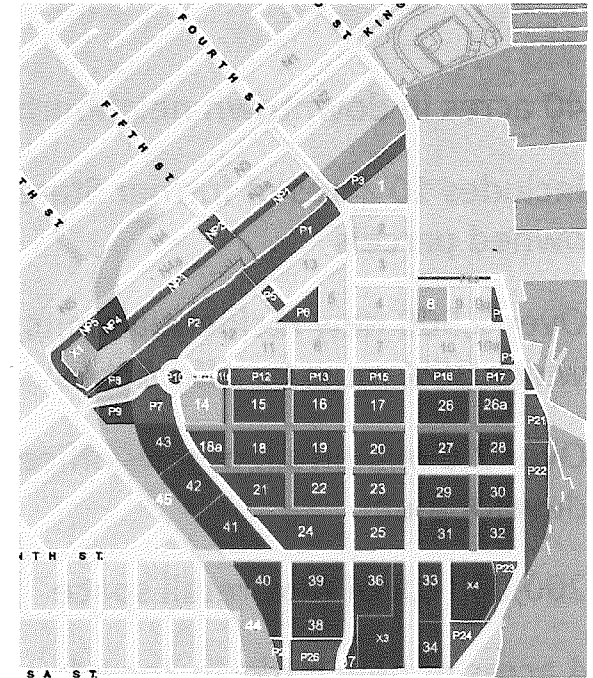
FY 15-16 Work Plan

- **Affordable Housing - Very Low, Low & Moderate**
 - **Block 7 West:** In construction, marketing
 - **Block 6 East:** Design and funding approvals
 - **Block 3 East:** Developer selection, funding
 - **Block 6 West:** Issue RFP
 - **Block N4P3 :** In construction, marketing

- **Public Open Space**
 - Completion of 8 parks, including Children's Park
 - Design or start construction on 3 other parks

- **Vertical Development**
 - Golden State Warriors Event Center Project: Blocks 29-32
 - Office Projects: Blocks 26/27-Uber, 33/34 - UCSF & 40 -Kilroy
 - Market-Rate residential/Hotel: Block 1

- **Public Management Art Program**
- **Park Transition Plan**
- **Street Improvements**
- **Small Business Enterprise /EEO**

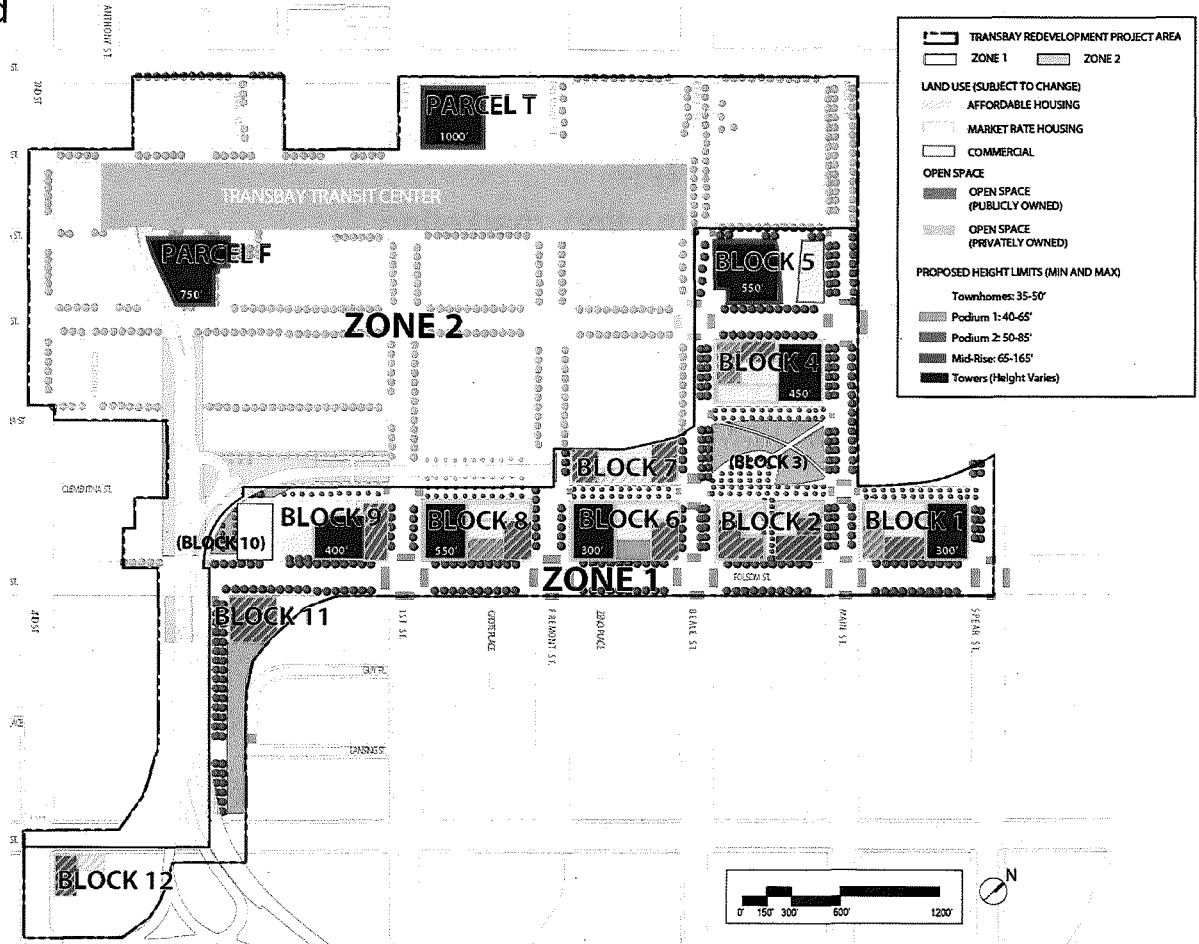


Children's Park (P6) - to open in 2015



Transbay

- 40 acres in downtown neighborhood
- Includes 10 acres of former State-owned parcels
- Over 3,500 new residential units, of which 35% must be affordable
- Over 2.6 million s.f. of new office development
- 200,000 s.f. of new retail space
- 4 acres of new parks in Zone 1
- Transbay Transit Center + 5.5 acre rooftop park
- Reconfiguration of Folsom Street freeway off-ramp
- Streetscape improvements to create safe and attractive pedestrian environment



Transbay

FY 15-16 Work Plan

- **Development of State-owned Parcels into Office, Market Rate & Affordable Housing, Ground Floor Retail**

Mixed-Income Residential

- **Block 6** : Under construction, marketing
- **Block 7** : Start construction, marketing
- **Block 9** : Start construction, marketing
- **Blocks 8**: Close land sale, transfer proceeds to TJPA
- **Block 1**: Design and DDA approvals
- **Block 2**: Issue RFP

Commercial Office

- **Block 5**: Close land sale, transfer proceeds to TJPA

- **Neighborhood Infrastructure Development**
 - Complete Folsom Street Off-Ramp reconfiguration
 - Start construction on Folsom streetscape improvements
 - Complete design for “under-ramp” park improvements
- **Small Business Enterprise and EEO programs**

Block 9



Block 8



Block 6



Affordable Housing Program

- **Key Component of Mayor's Plan for 10,000 Affordable Units by 2020:** Approx. 3,366 units (2,633 stand-alone affordable units, 733 inclusionary units)
 - **Candlestick Point:** Alice Griffith Phases 1-3 in construction in FY 15/16; RFP for Blocks 10A & 11A (adjacent to new Candlestick Retail Center)
 - **HP Shipyard Phase 1:** Issue RFP for Block 54 (first OCII site in Shipyard)
 - **Mission Bay:** Construction underway on Block 7 West; Fund construction for Block 6 East; RFP currently out for Block 3E; Issue RFP for Block 6 West
 - **Transbay:** Blocks 6,7,8 & 9 either under construction or to start construction; approve Block 1 (first affordable homeownership units in Transbay); Issue RFP for Block 2
- **\$1.7 million in funds for MOHCD**
 - \$1.7 million in SERAF Loan Repayment (related to SFRA's 2010 housing fund loan for State Supplemental Educational Revenue Augmentation Fund assessment (SERAF))
- **\$45 million in potential new bond proceeds through Governor's proposed FY 15/16 budget legislation**

Other OCII Obligations

Asset Management

- Dispose of assets per Redevelopment Dissolution Law; pending State approvals of disposition plan
- Manage assets until disposition, including:
 - Yerba Buena Gardens: transition planning underway
 - South Beach Harbor: management by Port underway
 - Garages (Fillmore Heritage & Jesse Square)

Development Services

- Manage existing development & loan agreements
 - Closing for 706 Mission/Mexican Museum Purchase & Sale Agreement
- Manage existing leases and operating agreements
- Manage property management contracts

Small Business Enterprise and Equal Opportunity Programs

- Ongoing enforcement and monitoring of programs with a commitment to San Francisco's most economically disadvantaged neighborhoods

OCII Budget Comparison, Sources & Uses

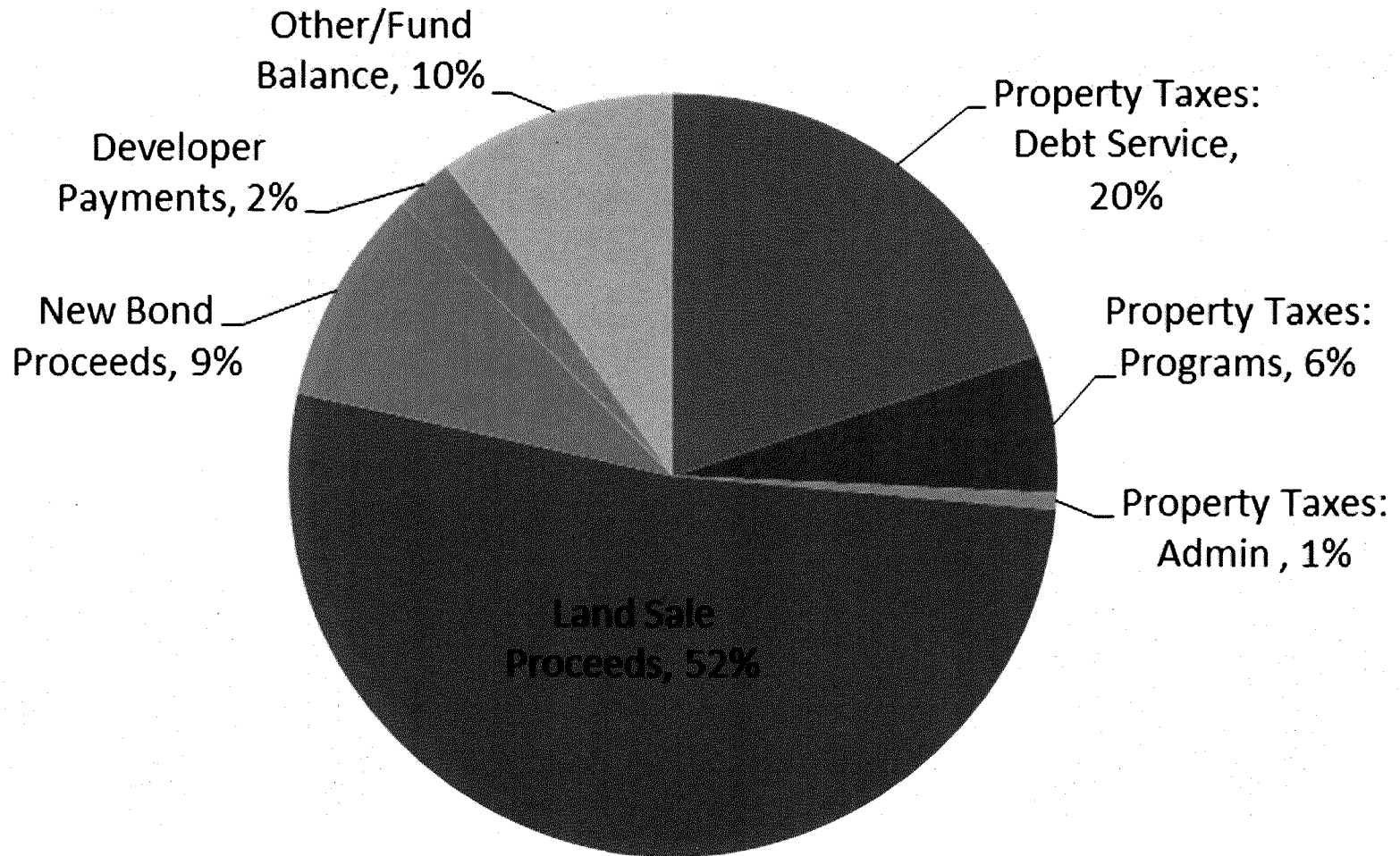
**\$116.7 million increase from
FY 14/15 mainly due to timing
of development:**

- **Transbay Land Sale**
Proceeds: \$238 million
increase due to timing of
Transbay land sales;
majority passes through
OCII to TJPA for Transit
Center construction
- **Developer Payments: \$111
million decrease due to
timing of projects (received
payments in FY 14/15 for
projects starting in FY
15/16)**

Sources	FY 14-15 Budget	FY 15-16 Proposed	Diff
Property Tax Increment - Debt Service	\$ 97,583	\$ 98,234	\$ 651
Property Tax Increment - Mission Bay	17,120	6,300	\$ (10,820)
Property Tax Increment - Admin Allowance	2,910	3,508	\$ 598
Property Tax Increment - Other	13,695	22,480	\$ 8,785
Subtotal Property Tax Increment	131,309	130,522	(787)
Land Sale Proceeds	19,000	257,240	\$ 238,240
New Bond Proceeds	300	44,679	\$ 44,379
Developer Payments	123,724	12,226	\$ (111,498)
Rent, Lease & Garage Revenues	22,873	16,009	\$ (6,864)
US Navy Cooperative Agreement	290	350	\$ 60
Loan Repayments	106	50	\$ (56)
City Reimbursements for OCII Staff	536	303	\$ (233)
Hotel Tax/Moscone Revs for Debt Service	11,805	5,024	\$ (6,782)
Subtotal Current Revenues	309,943	466,403	156,460
Fund Balance - Housing	49,829	21,432	\$ (28,398)
Fund Balance - Other	17,695	6,338	\$ (11,357)
Total Sources	377,467	494,173	116,706
Uses			
Project Management & Admin	43,102	37,118	\$ (5,984)
Affordable Housing Loans	103,172	96,500	\$ (6,672)
Affordable Housing Reserve	69,098	-	\$ (69,098)
Development Infrastructure	24,283	5,860	\$ (18,423)
YBG Capital & Community Grants Reserves	4,662	-	\$ (4,662)
Pass-through to TJPA	3,000	245,700	\$ 242,700
Public Art	1,378	-	\$ (1,378)
Other Use of Bond Proceeds	9,217	-	\$ (9,217)
Debt Service	119,555	108,995	\$ (10,560)
Total Uses	\$ 377,467	\$ 494,173	\$ 116,706

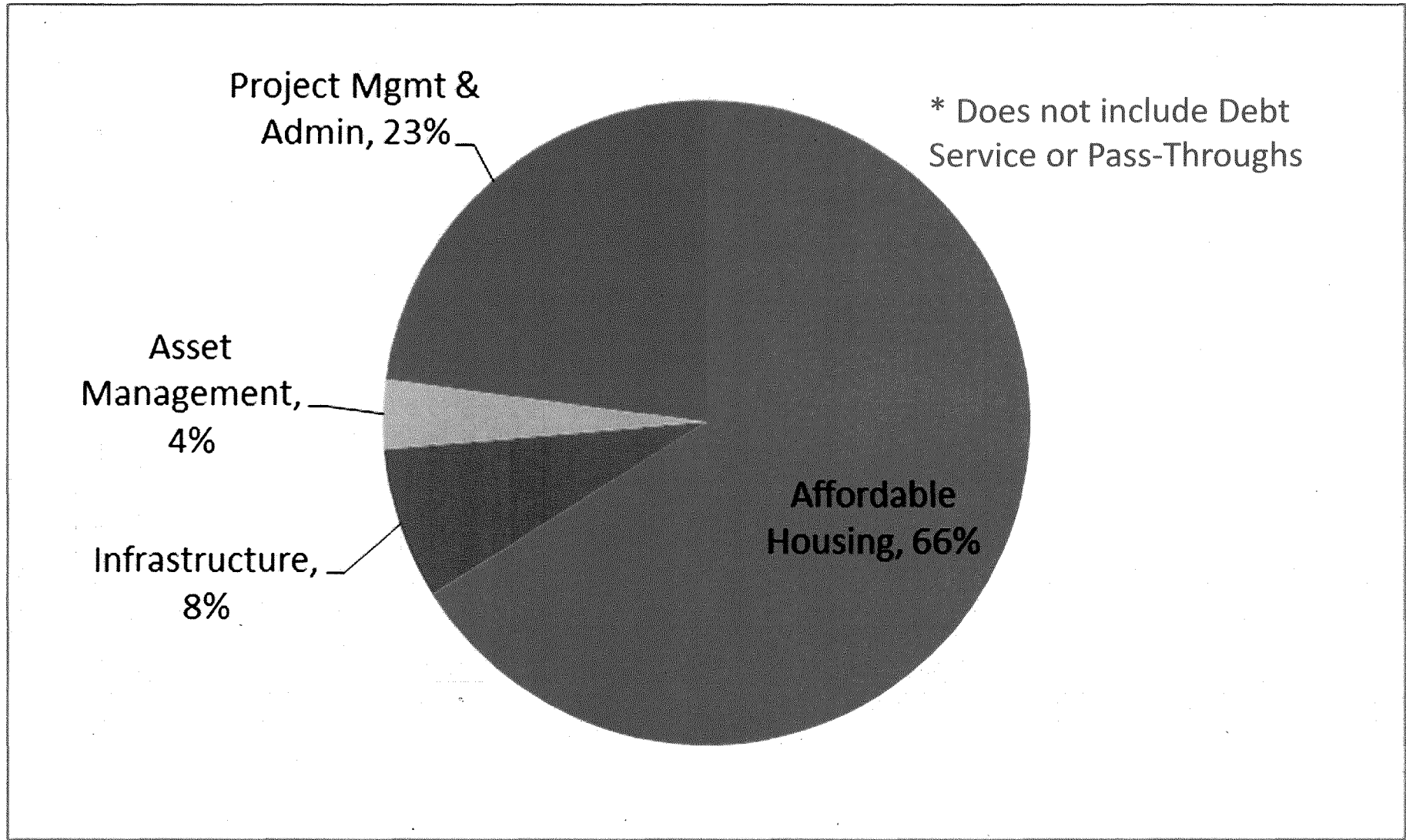
FY 15/16 Sources by %

\$494 M

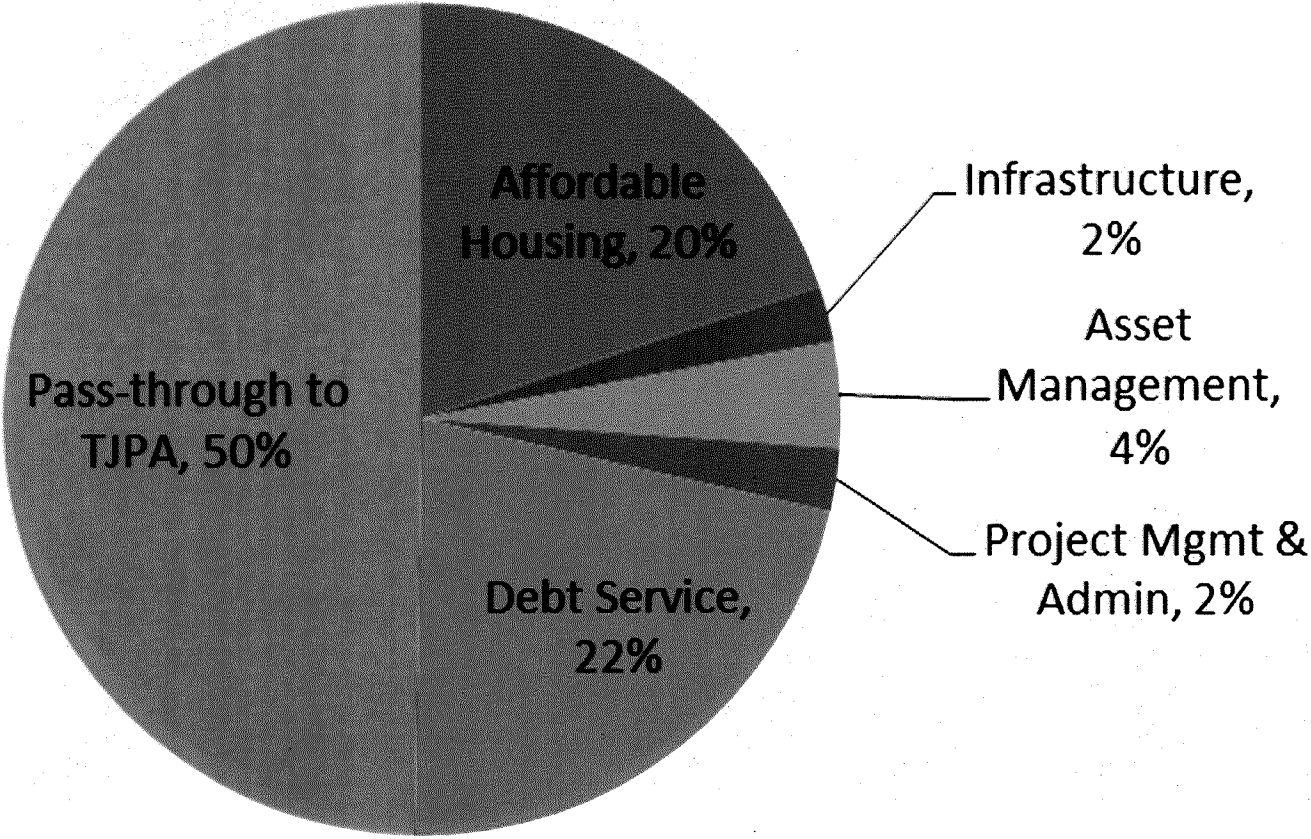


Sources Highlight: Tax Increment for Programs*

\$27 M

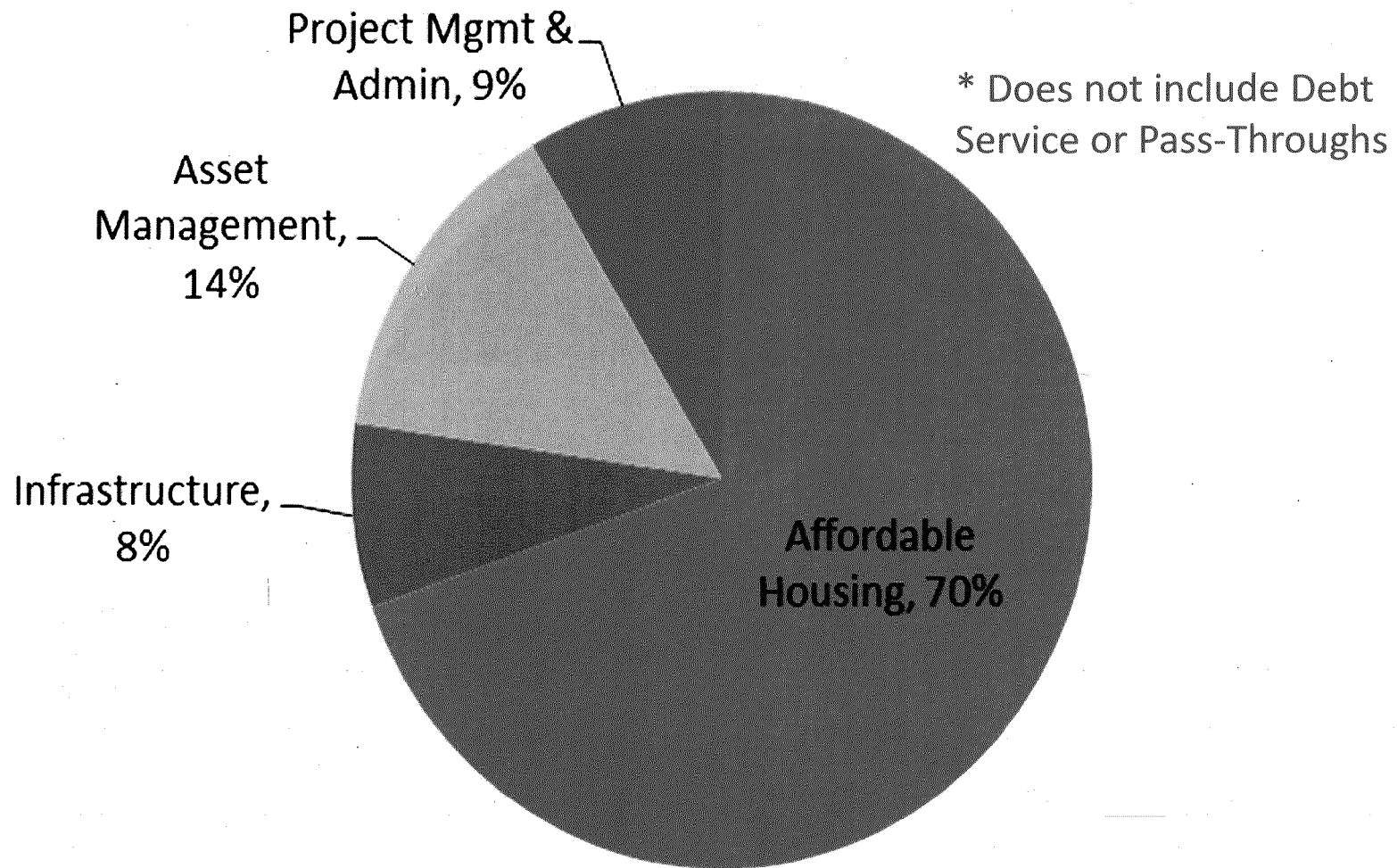


FY 15/16 Uses by %:
\$ 494 M



Uses Highlight: Projects and Programs*

\$141 M



FY 15-16 Administrative Budget

- \$12.1 M total (vs. \$11.9M in FY 14-15 budget).
- Property tax Administrative Cost Allowance bgt \$3.5M (vs. \$2.9M in FY 14-15 budget). This is below the 3% cap allowed by State DOF.
- \$7.8M OCII salary/benefit budget is \$600k below FY 2014-15 due to:
 - Transfer of 8.6 FTE South Beach Harbor staff to Port and 2 FTE to MOHCD
 - Decrease in CalPERS employer contribution from 18.2% to 9.5% of salaries
 - Proposed addition of 6 FTE to keep pace with accelerated development and affordable housing programs
- FTE: 46 FTE, decrease from 50.6 FTE in FY 14/15 (and down from 112 FTE pre-dissolution).

THANK YOU

